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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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BCC

Daton
Joe
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March 23, 1999

Denise Dragoo, Resident Agent
Horizon Mining, LLC
c/o Snell & Wilmer
111 East Broadway, Suite 900
Salt Lake City, Utah 84111

Re: Midterm Permit Review, Horizon Mining, LLC, Horizon Mine, ACT/007/020-MT99, Folder #3, Carbon County, Utah

Dear Ms. Dragoo:

The Division is required to review each active permit during its term, in accordance with R645-303-211. This review is to take place at the mid-point of the permit term (April 10, 1999 for the Horizon Mine) and will cover pertinent elements that have been selected for review. The Midterm Review for the Horizon Mine is now being conducted and the items chosen for review encompass the following:

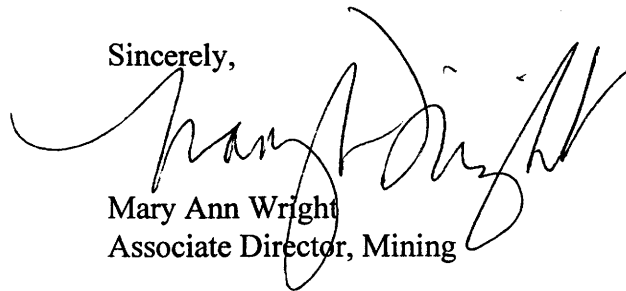
1. An AVS check to ensure that Ownership and Control information is current and correct.
2. A review of the plan to ensure that the requirements of all permit conditions, division orders, notice of violation abatement plans, and permittee-initiated plan changes are appropriately incorporated into the plan document. Especially important in light of the February 25, 1999 Order dealing with coal mine waste disposal.
3. A review of the applicable portions of the permit to ensure that the plan contains commitments for application of the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area.
4. The Division will conduct a technical site visit in conjunction with the assigned compliance inspector to document the status and effectiveness of operational, reclamation, and contemporaneous reclamation practices.
5. An evaluation of the reclamation bond to ensure that coverage adequately addresses permit changes approved subsequent to permit approval.

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Any information that you would like us to review as part of the Midterm review must be submitted by April 10, 1999. Once the review has been conducted, you will be notified of any outstanding issues that need to be corrected.

If you have any questions regarding these requirements or the Midterm Review please don't hesitate to call.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Ann Wright", is written over the typed name and title.

Mary Ann Wright
Associate Director, Mining

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cc: Price Field Office
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